

WC 06-140

READ INSTRUCTIONS CAREFULLY
BEFORE PROCEEDING

FEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE

Approved by OMB
3060-0589

Page 1 of 1

(1) LOCKBOX # 358145		JUL 07 2006			
SECTION A - PAYER INFORMATION					
(2) PAYER NAME (if paying by credit card enter name exactly as it appears on the card) Bingham McCutchen LLP			(3) TOTAL AMOUNT PAID (U.S. Dollars and cents) \$895.00		
(4) STREET ADDRESS LINE NO. 1 3000 K Street, NW					
(5) STREET ADDRESS LINE NO. 2 Suite 300					
(6) CITY Washington				(7) STATE DC	(8) ZIP CODE 20007
(9) DAYTIME TELEPHONE NUMBER (include area code) 202-424-7500			(10) COUNTRY CODE (if not in U.S.A.)		
FCC REGISTRATION NUMBER (FRN) REQUIRED					
(11) PAYER (FRN) 0004-3539-00			(12) FCC USE ONLY		
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C) COMPLETE SECTION BELOW FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET					
(13) APPLICANT NAME iBasis, Inc.					
(14) STREET ADDRESS LINE NO. 1 20 Second Avenue					
(15) STREET ADDRESS LINE NO. 2					
(16) CITY Burlington				(17) STATE MA	(18) ZIP CODE 01803
(19) DAYTIME TELEPHONE NUMBER (include area code) 781-505-7500			(20) COUNTRY CODE (if not in U.S.A.)		
FCC REGISTRATION NUMBER (FRN) REQUIRED					
(21) APPLICANT (FRN) 0013382759			(22) FCC USE ONLY		
COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET					
(23A) CALL SIGN/OTHER ID		(24A) PAYMENT TYPE CODE CUT		(25A) QUANTITY 1	
(26A) FEE DUE FOR (PTC) \$895.00		(27A) TOTAL FEE \$895.00		FCC USE ONLY	
(28A) FCC CODE 1		(29A) FCC CODE 2			
(23B) CALL SIGN/OTHER ID		(24B) PAYMENT TYPE CODE		(25B) QUANTITY	
(26B) FEE DUE FOR (PTC)		(27B) TOTAL FEE		FCC USE ONLY	
(28B) FCC CODE 1		(29B) FCC CODE 2			
SECTION D - CERTIFICATION					
CERTIFICATION STATEMENT I, <u>Troy F. Tanner</u> , certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information and belief.					
SIGNATURE <u>Troy F. Tanner</u>				DATE <u>7/7/06</u>	
SECTION E - CREDIT CARD PAYMENT INFORMATION					
MASTERCARD _____ VISA _____ AMEX <input checked="" type="checkbox"/> DISCOVER _____					
ACCOUNT NUMBER _____ EXPIRATION DATE _____					
I hereby authorize the FCC to charge my credit card for the service(s)/authorization herein described.					
SIGNATURE <u>Troy F. Tanner</u>				DATE <u>7/7/06</u>	

Troy F. Tanner
Direct Phone: (202) 373-6560
Direct Fax: (202) 424-7647
troy.tanner@bingham.com

July 7, 2006

VIA COURIER

Bingham McCutchen LLP

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Boston
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Tokyo
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Washington

Marlene H. Dortch, Secretary
Federal Communications Commission
Wireline Competition Bureau – CPD – 214 Appls.
P.O. Box 358145
Pittsburgh, PA 15251-5145

Dear Ms. Dortch:

On behalf of iBasis, Inc. (“iBasis”), enclosed please find an original and six (6) copies of an application for domestic section 214 authority to transfer control of iBasis to KPN Telecom B.V.

Also enclosed is a completed Fee Remittance Form 159 containing a valid American Express credit card number and expiration date for payment, in the amount of \$895.00, to the Federal Communications Commission, which satisfies the filing fee required for this Application under line 2.b of Section 1.1105 of the Commission’s rules.

Pursuant to Section 63.04(b) of the Commission’s rules, Applicants submit this filing as a combined international and domestic section 214 transfer of control application (“Combined Application”). Applicants have filed the Combined Application with the International Bureau through the MyIBFS Filing System.

Please direct any questions regarding this filing to the undersigned.

Respectfully submitted,



Ulises R. Pin
Troy F. Tanner

Counsel for iBasis, Inc.

Enclosures

cc (via email):

July 7, 2006

Page 2

William Dever (WCB)

Tracey Wilson (WCB)

George S. Li (IB)

Susan O'Connell (IB)

Bingham McCutchen LLP

bingham.com

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)
)
)

iBasis, Inc.)
Transferor,)

and)

KPN Telecom B.V.)
Transferee)
)
)

Joint Application for Approval to Transfer Control)
Of Domestic and International Section 214)
Authorizations)
_____)

File No. ITC-T/C-2006 _____

WC Docket No. 06- _____

JOINT APPLICATION FOR TRANSFER OF CONTROL

I. INTRODUCTION

A. Summary of Transaction

iBasis, Inc. (“iBasis”) and KPN Telecom B.V. (“KPN”) (collectively, the “Applicants”), through their undersigned counsel and pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214 (the “Communications Act”), and Sections 63.04 and 63.24 of the Commission’s Rules, 47 C.F.R. §§ 63.04, 63.24, respectfully request approval to transfer control of iBasis, the holder of an international section 214 authorization, to KPN.¹ The Applicants have entered into an agreement whereby iBasis will acquire KPN’s international wholesale voice business and receive US\$ 55 million in cash. In return, iBasis will issue

¹ iBasis holds international Section 214 authority for global resale services (File No. ITC-214-19971126-00741) and holds blanket domestic Section 214 authority.

approximately 40 million shares of iBasis common stock to KPN, a wholly owned subsidiary of Royal KPN N.V. ("Royal KPN"), which would represent a 51 percent majority ownership interest in iBasis on a fully diluted basis. iBasis will continue to be separately managed by its current U.S. management and its common stock will continue to be separately publicly traded following consummation of the transaction.

B. Request for Expedited Consideration

As set forth below, KPN has significant financial resources and substantial experience in owning and operating regulated telecommunications providers. Moreover, the transaction is structured to ensure that existing iBasis customers will continue to enjoy uninterrupted services under the same rates, terms and conditions as those services are presently provided. In light of the substantial public interest benefits to be derived from the transaction, Applicants seek expedited approval of this Application so that the transaction can be completed as soon as possible.

C. Request for Streamlined Processing

This Application is eligible for streamlined processing pursuant to Section 63.03 and 63.12 of the Commission's Rules, 47 C.F.R. §§ 63.03 & 63.12. With respect to domestic authority, this Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(i) because, immediately following the consummation of the transaction: (1) Applicants and their affiliates, as defined in Section 3(1) of the Communications Act ("Affiliates") will hold less than a ten percent (10%) share of the interstate, interexchange market; (2) none of the Applicants or their Affiliates provide local exchange service; and (3) none of the Applicants or their Affiliates is dominant with respect to any interstate telecommunications service.

With respect to international authority, this Application is eligible for streamlined processing pursuant to Section 63.12(c) of the Commission's Rules, 47 C.F.R. §63.12(c)(1)(v). Although KPN is the dominant carrier in The Netherlands, The Netherlands is a WTO Member country, and the Applicants agree to have iBasis classified as a dominant carrier on the U.S.-Netherlands route for provision of its international telecommunications services (without prejudice to its right to petition for reclassification at a later date).

In support of this Application, Applicants provide the following information:

II. DESCRIPTION OF THE APPLICANTS

A. iBasis, Inc. (Transferor)

iBasis is a Delaware company that is publicly traded company on the NASDAQ National Market and is headquartered in Burlington, Massachusetts. iBasis has two lines of business: a large wholesale business and a small retail business. iBasis has developed a cost-effective VoIP network through which it offers to transport and terminate international telephone calls on behalf of major carrier customers. In the wholesale business, iBasis receives international voice traffic from buyers (i.e., originating carriers who are interconnected to its VoIP network via a virtual IP address or through leased circuits), and routes that traffic over the public Internet to sellers (i.e., vendors who are local service providers and carriers in the destination countries with whom iBasis has established agreements to manage the completion or termination of the call). iBasis offers this service to traditional telephone companies, consumer VoIP companies like Skype and Yahoo!, telephony resellers and other service providers worldwide. iBasis provides services to more than 350 carrier customers worldwide.

iBasis also has a small retail business that also utilizes its international VoIP network. The retail business consists of two different services. First, iBasis offers disposable prepaid

calling cards that are marketed through retail distributors primarily to ethnic communities in the U.S. with specific international calling patterns. The cards allow end-users to dial an access number and enter a PIN to make a telephone call. Second, iBasis has created Pingo®, an electronic prepaid calling card (again, through access numbers and PINs) sold directly to consumers on a website (www.pingo.com). Although iBasis's retail calling services are marketed and primarily used for international calls, they are capable of being used for domestic interstate calls. iBasis's retail services are a small portion of iBasis' overall operations and represent a modest portion of iBasis' total revenues. iBasis does not offer U.S. intrastate calling services, and its share of the interstate, interexchange market is significantly less than 10%.

B. KPN Telecom B.V. (Transferee)

KPN is a private limited liability company incorporated under the laws of the Netherlands. KPN is a wholly owned subsidiary of Royal KPN, the legacy carrier in the Netherlands. It was originally owned by the State of the Netherlands, but has been a privately owned company since 1989. Royal KPN is now a publicly-listed company whose shares are traded on the New York Stock Exchange and exchanges in Amsterdam, Frankfurt, and London. KPN's shares are widely held, and the company has no controlling shareholder. The State of the Netherlands currently holds a 7.98% interest in KPN. The State of the Netherlands does not have *de jure* or *de facto* control over KPN and has no ability to exercise such control.

Royal KPN is a Tier One national carrier with substantial financial resources and a significant mobile operator with a high quality network in Europe. Royal KPN offers a full range of communications services in the Netherlands, including retail voice, Internet, data and mobile services. Through its subsidiaries, Royal KPN offers mobile telecommunications services in Germany, the Netherlands and Belgium and data services in Western Europe. Royal

KPN, through its affiliates, also provides international wholesale transport services to carriers throughout the world. It is this last service that will be contributed to iBasis as part of the proposed transaction. Neither Royal KPN nor KPN offer intrastate or interstate, interexchange services in the United States, although KPN has subsidiaries that offer international services.

III. DESCRIPTION OF THE TRANSACTION (Answer to Question 13)

Pursuant to a Stock Purchase Agreement dated June 21, 2006 between KPN and iBasis, KPN will contribute to a newly-formed KPN subsidiary, KPN Global Carrier Services B.V. (“KGCS”), its business of terminating international voice traffic originating within and outside The Netherlands, which includes the following services (collectively, the “KPN International Wholesale Voice Business”):

- (i) international wholesale voice services and international direct dialing as a wholesale service provided to telecom companies for the business and consumer retail market for calls originating or terminating in the Netherlands, including calls originating from or terminating to any end user of KPN or its affiliates, utilizing both TDM and VoIP;
- (ii) transit of all international calls through KPN’s network;
- (iii) international freephone services for the transport of international toll free numbers;
- (iv) international KPN’s Premium Rate Services relating to international 0900-numbers and international wholesale Premium Rate Services relating to originating International 0900-numbers;
- (v) services for mobile operators including termination of voice traffic, SMS interworking, MMS interworking and UMTS-based services;
- (vi) solutions for Internet Service Providers including but not limited to voice access

- services connecting VoIP traffic to switched networks;
- (vii) services for KPN- or KPN Affiliate-originated traffic from such parties' fixed networks;
 - (viii) services for KPN- or KPN Affiliate-originated mobile traffic on the basis of a first call/last bid right which shall be judged on quality and price; and
 - (ix) services for traffic related to all existing and future bilateral relationships to which KPN or a KPN Affiliate is a party.

As part of this reorganization, a number of KPN-affiliated carriers involved in the provision of KPN International Wholesale Voice Services – such as KPN Eurovoice, B.V., KPN Eurovoice Singapore Pte. Ltd. and KPN Wholesale Voice Services Hong Kong Limited – will be folded into or become subsidiaries of KGCS. iBasis will then acquire the capital stock of KGCS and KPN International Network Services, Inc. (“KPN INS”), a holder of international section 214 authority.² KPN also will make a cash payment to iBasis of US\$ 55 million. In return, iBasis will issue approximately 40 million shares of iBasis common stock to KPN, a private limited liability company wholly owned by Royal KPN. These shares will represent a 51% ownership interest in iBasis on a fully diluted basis.

As a result of the transaction, KGCS will become a wholly-owned subsidiary of iBasis. The shares of iBasis will continue to be publicly traded on the NASDAQ National Market and will continue to be managed by its current U.S. management team. KPN will be the majority shareholder of iBasis. Consummation of the transaction is contingent upon receipt of necessary regulatory approvals, iBasis shareholder approval, and satisfaction of customary closing

² The transfer of control of KPN INS to iBasis will be pro forma as KPN and Royal KPN will have a 51% share in iBasis and would thus retain control of KPN INS. Post-closing notifications of this pro forma transfer of control will be filed with the Commission in due course pursuant to 47 C.F.R. § 63.24(f).

conditions. For the Commission's convenience, a pre- and post-transaction organizational chart is provided as Exhibit A attached.

IV. PUBLIC INTEREST STATEMENT

A. This Transaction Offers Substantial Public Interest Benefits

Applicants submit that the transaction described herein will serve the public interest. The proposed transaction will combine the strengths of KPN and iBasis, which will allow iBasis to compete more effectively in the highly-competitive wholesale transport market. KPN and iBasis have complementary geographic footprints, with KPN being particularly strong in Europe and Asia and iBasis being strong in the Americas and Asia. Further, the transaction will combine the companies' strengths in two of the fastest growing segments of global telecommunications traffic: mobile services and consumer VoIP. The KPN International Wholesale Voice Business includes an established business of providing wholesale services to mobile operators, including a reliable and high quality product portfolio and relationships with more than 100 mobile operators. iBasis brings a global VoIP network that utilizes the public Internet and that comprises over 1,000 points of presence in more than 100 countries and interconnections with more than 400 carriers worldwide. The combination of services and geographic coverage that will result from the proposed transaction will allow iBasis to provide higher-quality and lower-cost services to its carrier customers. This will exert downward pressure on wholesale transport prices, which in turn will result in lower prices to consumers and businesses for their international communications needs.

The international wholesale voice business is extremely competitive, with numerous small carriers competing with established incumbents to offer the lowest rates possible on international routes. The pricing structure is dynamic with rate changes on routes often changing daily, if not hourly. Success in the international wholesale voice business is determined by scale

and efficiency. The intense margin pressure in the wholesale business threatens the sustainability of smaller providers and high-overhead incumbents. In order to compete, wholesale providers must increase the volume of traffic they carry in order to obtain the leverage to negotiate lower termination prices and to obtain higher-margin return traffic that is critical to success. The combination of the KPN International Wholesale Voice Business with iBasis's international wholesale business will provide the scale and efficiencies necessary for iBasis to compete successfully against larger competitors such as AT&T, Verizon/MCI and other large incumbent national telecom operators in Europe, as well as numerous smaller competitors. Because the revenues of iBasis will only represent a small percentage of the total revenues in the international wholesale voice market, that market will remain competitive after the transaction. In addition, the stronger reputation of iBasis will allow it to win carrier customers worldwide. In short, the transaction will result in a stronger and more competitive player in the international wholesale voice market to the ultimate benefit of U.S. consumers and businesses.

The transaction will also not materially affect competition in the U.S. international prepaid calling services market. iBasis's retail prepaid calling services are relatively new. KPN is not a participant in that market.

The public will also enjoy more immediate benefits from the transaction. KPN's customers will gain geographically broader and more cost-effective international transport and termination. iBasis's customers will gain greater transport and termination capacity in Europe as well as access to KPN's premium services for mobile traffic, which iBasis currently does not carry. Together, these benefits will allow iBasis to expand its service offerings and provide more advanced services to a broader customer base.

The transaction will be conducted in a manner that will be transparent to current customers of iBasis. As discussed previously, iBasis will continue to operate the combined international wholesale business of the Applicants under iBasis's current management. iBasis anticipates no change to its retail operations as a result of the transaction.

The proposed transaction is also expected to yield significant synergies and cost savings resulting from better termination costs, lower transmission costs and other cost savings.

Finally, while the FCC has classified KPN as a dominant carrier on the U.S.-Netherlands route, Applicants agree that iBasis will be subject to dominant carrier regulation on the U.S.-Netherlands route insofar as iBasis operates as a Section 214-licensed U.S. international telecommunications carrier.

B. The Transaction Raises No Foreign Ownership Concerns

The proposed change in the ownership of iBasis presents no foreign ownership issues. While KPN will acquire a 51% stake in the company, iBasis will continue to be operated by its current U.S. management and will continue to be headquartered in the United States. Further, iBasis's common stock will continue to be listed on the NASDAQ National Market with a substantial percentage of the company's equity (49%) traded publicly. Further, The Netherlands is a member of the WTO and is a long-standing commercial partner and ally of the United States. Finally, Applicants have initiated discussions with the Executive Branch to address any national security, law enforcement, and public safety concerns that the agencies believe are presented by this transaction.

For the foregoing reasons, Applicants request that the Commission commence its examination of the transaction and grant this Application as soon as possible.

V. INFORMATION REQUIRED BY SECTION 63.24(e)

Pursuant to Section 63.24(e)(3) of the Commission's Rules, the Applicants submit the following information requested in Section 63.18 (a)-(d) and (h)-(p) in support of this Application:

63.18 (a) Name, address and telephone number of each Applicant:

Transferor:

iBasis, Inc.
20 Second Avenue
Burlington, MA 01803
(781) 505-7500(Tel)
(781) 505-7300 (Fax)

Transferee:

KPN Telecom B.V.
Maanplein 55
2516 CK, The Hague
The Netherlands
+31 (0)70 446 0986 (Tel)
+ 31 (0)70 446 0593 (Fax)

63.18 (b) Jurisdiction of Organizations:

Transferor: iBasis is a corporation formed under the laws of Delaware.

Transferee: KPN is a private limited liability company formed under the laws of The Netherlands.

63.18 (c) *(Answer to Question 10)* Correspondence concerning this Application should be sent to:

For iBasis:

Jonathan D. Draluck
Vice President, Business Affairs and General Counsel
iBasis, Inc.
20 Second Avenue
Burlington, MA 01803

with a copy to legal counsel:

Paul O. Gagnier, Esq.
Troy F. Tanner, Esq.
Bingham McCutchen LLP
3000 K Street, NW, Suite 300
Washington, DC 20007-5116
Tel: (202) 373-6000
Fax: (202) 424-7645
Email: paul.gagnier@bingham.com
troy.tanner@bingham.com

For KPN:

Craig G. Allwright
KPN Legal & Regulatory
Maanplein 55
2516CK The Hague
The Netherlands

with a copy to legal counsel:

Alfred M. Mamlet, Esq.
Daniel C.H. Mah, Esq.
Steptoe & Johnson, LLP
1330 Connecticut Avenue, NW
Washington, DC 20036-1795
Tel: (202) 429-3000
Fax: (202) 429-3902
Email: amamlet@steptoe.com
dmah@steptoe.com

63.18 (d) iBasis holds an international Section 214 authority to provide global resale services (File No. ITC-214-19971126-00741) and holds blanket domestic Section 214 authority.

KPN itself does not hold any domestic or international Section 214 authority. KPN INS, an affiliate of KPN, holds the following international section 214 authorizations to provide global facilities-based and/or global resale services:

ITC-214-19970602-00298
ITC-214-19970702-00363
ITC-214-19970702-00369

63.18 (h) (Answer to Questions 11 & 12) The following entities own directly or indirectly 10% or more of iBasis, Inc. and KPN Telecom B.V.

The common stock of iBasis is traded on the NASDAQ National Market and is widely held. Upon information and belief, no person or entity directly or indirectly holds a 10% or greater equity or voting interest in iBasis. iBasis is principally engaged in the business of providing international wholesale transport services and prepaid calling services.

KPN is 100% owned by Royal KPN N.V., a holding company, located at the same address as KPN. Its shares are publicly traded on stock exchanges in Amsterdam, Frankfurt, London, and New York and are widely held.

Upon information and belief, the following entities own 10% or more ownership or voting interest in Royal KPN N.V.:

Capital Group International, Inc. (11.9%) ("CGII")
11100 Santa Monica Boulevard
15th Floor
Los Angeles, CA 90025-3384
Investment Adviser

Capital Research and Management Company (13%) ("CRMC")
333 South Hope Street
55th Floor
Los Angeles, CA 90071
Investment Adviser

Both CGII and CRMC are subsidiaries of The Capital Group Companies, Inc., a privately held investment management holding company with offices at the same address as CRMC. KPN is not aware of any controlling shareholder of The Capital Group Companies, Inc.

As a publicly listed company, Royal KPN does not know its shareholders other than through public filings. The above information is based on notifications to the SEC as of February 2006. Royal KPN believes these to be accurate as of that date, and is not aware of any other direct or indirect shareholdings of over 10%.

The following individuals are officers or directors of KPN and are also officers or directors of foreign carriers:

A.J. Scheepbouwer, M.H.M Smits and S.P. Miller are officers or directors of KPN and also officers or directors of Royal KPN and Base N.V./S.A. E. Blok is an officer or director of KPN and is also an officer or director of Royal KPN.

ANSWERS TO QUESTIONS 14 – 16, 18

63.18 (i) KPN certifies that it is a carrier in The Netherlands, and is affiliated with carriers in Austria, Belgium, France, Germany, Hong Kong SAR, Italy, Singapore, Spain, Switzerland, United Kingdom, and The Netherlands within the meaning of 63.09(d) of the Commission's rules. As a result of this transaction, iBasis will be affiliated with carriers in these countries.

63.18 (j) KPN certifies that through the acquisition of control of iBasis, it seeks to provide international telecommunications services to the destination countries of Austria, Belgium, France, Germany, Hong Kong SAR, Italy, Singapore, Spain, Switzerland, United Kingdom, and The Netherlands, where KPN is, or is affiliated with, a foreign carrier. With respect to The Netherlands, KPN is deemed by the FCC to hold market power. In the other countries, KPN is affiliated with the following non-dominant carriers:

Royal KPN N.V. (The Netherlands)

KPN Eurovoice, B.V. (Austria, Belgium, France, Germany, Italy, Spain, Switzerland, The Netherlands, and the United Kingdom)

KPN Eurovoice Singapore Pte. Ltd. (Singapore)

KPN Wholesale Voice Services Hong Kong Limited (Hong Kong SAR)

E-Plus Mobilfunk GmbH & Co.KG (Germany)

Base N.V./S.A. (Belgium)

63.18 (k) All of the KPN foreign affiliates listed above in Section (j) are based in countries that are Members of the World Trade Organization.

63.18 (l) iBasis may resell international switched services of unaffiliated U.S. carriers in order to provide telecommunications services to countries where it has foreign carrier affiliations. With respect to KPN in the Netherlands, iBasis accepts dominant carrier classification on the U.S.-Netherlands route and will file the quarterly traffic reports required by Section 43.61(c) of the Commission's Rules to the extent resells such services.

With respect to other countries where KPN is affiliated with foreign carriers (as listed above in Section (j)), none of those carriers is on the Commission's List of Foreign Telecommunications Carriers that are Presumed to Possess Market Power in Foreign Telecommunications Markets for any country. In addition, these foreign carriers offer services in competition with dominant foreign carriers and others in the country in

question. These foreign carriers each hold significantly less than a 50% market share in the international transport market between the U.S. and their home markets and in the local access markets in the countries where they operate. Moreover, these foreign carriers do not have the ability to discriminate against unaffiliated U.S. international carriers through the control of bottleneck services or facilities to exercise market power in the countries where they operate. Accordingly, KPN's foreign carrier affiliates in these other countries lack sufficient market power on the U.S.-international routes on which they operate to affect competition adversely in the U.S. market. Therefore, each of these affiliated foreign carriers, other than KPN, should be presumptively found to be non-dominant pursuant to Section 63.10(a)(3) of the Commission's Rules.

- 63.18 (m)** Not applicable insofar as iBasis agrees to accept dominant carrier treatment on the U.S.-Netherlands route insofar as it operates as a Section 214-licensed U.S. international telecommunications carrier. With respect to all other countries where iBasis will be affiliated with foreign carriers, as demonstrated above in Section (l), its proposed affiliations will be with non-dominant foreign carriers.
- 63.18 (n)** KPN and iBasis certify that neither has agreed to accept special concessions, as defined in Section 63.14(b) of the Commission's Rules, directly or indirectly, from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route and will not enter into such agreements in the future.
- 63.18 (o)** Applicants certify that they are not subject to denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1998. *See* 21 U.S.C. § 853a. *See also* 47 C.F.R. §§ 1.2001-1.2003.
- 63.18 (p)** Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Section 63.12(c) of the Commission's Rules, 47 C.F.R. §63.12(c). Although the Transferee is affiliated with a dominant carrier in The Netherlands, The Netherlands is a WTO Member country and the Applicants agree to have iBasis be classified as a dominant carrier on the U.S.-Netherlands route without prejudice to its right to petition for reclassification at a later date. Further, with respect to all other countries where iBasis and KPN have foreign affiliates, such foreign affiliates qualify for a presumption of non-dominance on those routes under Section 63.10(a)(3) of the Commission's Rules.

VI. INFORMATION REQUIRED BY SECTION 63.04

In lieu of an attachment, pursuant to Commission Rule 63.04(b), 47 C.F.R. § 63.04(b)

Applicants submit the following information in support of their request for domestic Section 214

authority in order to address the requirements set forth in Commission Rule 63.04(a)(6)-(12), 47 C.F.R. § 63.04(a)(6)-(12):

- (a)(6) A description of the proposed Transaction is set forth in **Section III** above.
- (a)(7) iBasis is a non-facilities based provider of IP-based interstate prepaid calling services throughout the United States. KPN does not have domestic interstate telecommunications operations or assets in the United States. The domestic interstate services provided by iBasis are highly competitive and neither iBasis nor any affiliated company holds a dominant position in any market.
- (a)(8) Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Sections 63.03 of the Commission's Rules, 47 C.F.R. §63.03. In particular, with respect to domestic authority, this Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(i) because, immediately following the transaction, (1) Applicants and their affiliates (as defined in Section 3(1) of the Communications Act – ("Affiliates")) combined will hold substantially less than a ten percent (10%) share of the interstate, interexchange market; (2) none of the Applicants or their Affiliates provide local exchange service and; (3) none of the Applicants or their Affiliates is dominant with respect to any service.
- (a)(9) By this Application, Applicants seek authority with respect to both international and domestic Section 214 authorizations (this Application is being separately and concurrently filed with respect to both types of authorities in compliance with Commission Rule 63.04(b), 47 C.F.R. § 63.04(b)). No other applications are being filed with the Commission with respect to this transaction at this time. Post-closing, the Applicants will file notifications for pro forma transfer of control of the international Section 214 authority held by KPN INS.
- (a)(10) Prompt completion of the proposed transaction is critical to ensure that Applicants can obtain the benefits described in the foregoing application. Accordingly, Applicants respectfully request that the Commission approve this Application expeditiously in order to allow Applicants to consummate the proposed transaction as soon as possible.
- (a)(11) Not applicable.
- (a)(12) A statement showing how grant of the application will serve the public interest, convenience and necessity is provided in **Section IV** above.

VI. CONCLUSION


For the reasons stated above, Applicants respectfully submit that the public interest, convenience, and necessity would be furthered by a grant of this Application for the transfer of control of iBasis, Inc. Applicants respectfully request that the Commission consider and approve this Application expeditiously to permit Applicants to consummate the proposed transaction as soon as possible.

Respectfully submitted,

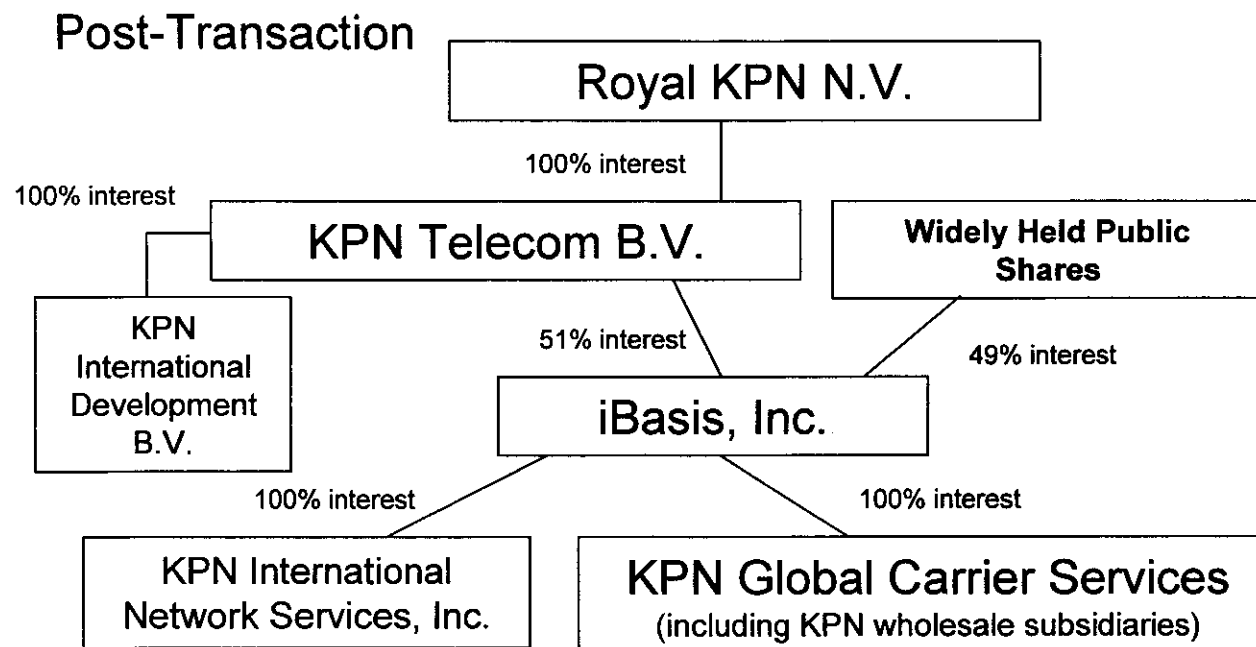
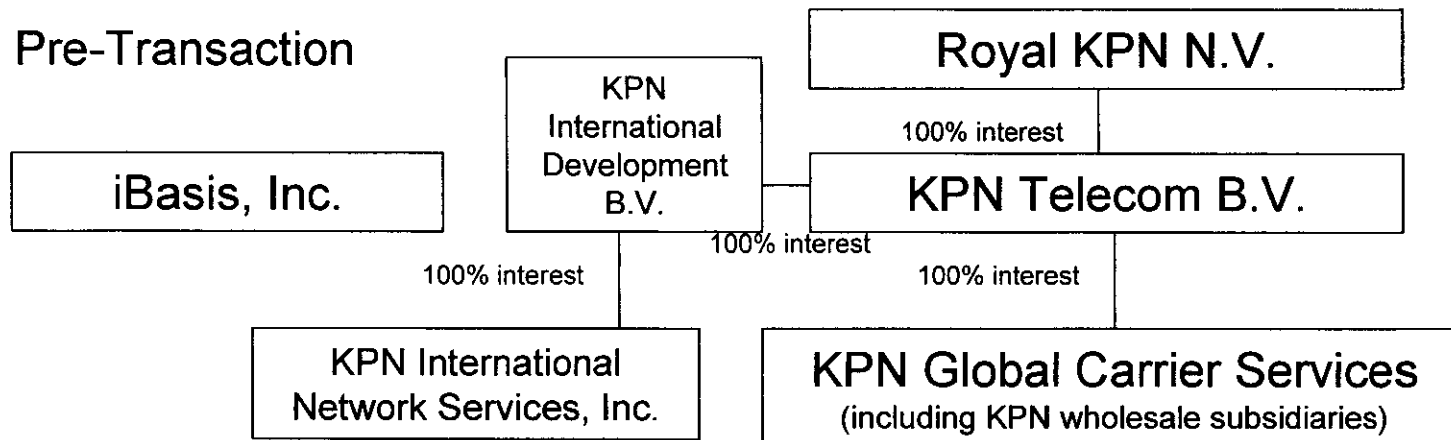
KPN Telecom B.V.

iBasis, Inc.

/s/
Alfred M. Mamlet
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Dated: July 7, 2006



Certifications

Exhibit A

Pre- and Post-Transaction Illustrative Chart

CERTIFICATION

I, Craig G. Allwright, hereby certify under penalty of perjury under the laws of the United States of America that I am authorized to make this Certification on behalf of KPN Telecom B.V. ("KPN"), the Transferee in the foregoing application. I further certify that the information in the foregoing application as it pertains to the Transferee is true and accurate to the best of my knowledge, and that the Transferee is not subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 853(a), as amended.



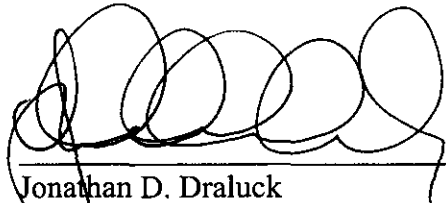
Craig G. Allwright

Date: July 6, 2006

Senior Legal Counsel
Royal KPN N.V.
Maanplein 55
The Hague
The Netherlands

CERTIFICATION

I, Jonathan D. Draluck, Vice President, Business Affairs and General Counsel of iBasis, Inc. ("iBasis"), hereby certify under penalty of perjury that I am authorized to make this Certification on behalf of iBasis, Inc., the Transferor in the foregoing application. I further certify that the information in the foregoing application as it pertains to the Transferor is true and accurate to the best of my knowledge, and that the Transferor is not subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 853(a), as amended.



Jonathan D. Draluck
Vice President, Business Affairs and
General Counsel
iBasis, Inc.

Date: July 7, 2006